



ASRS REPORT

ARIZONA STATE RETIREMENT SYSTEM

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February 9, 2007

This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at weeklyreport@azasrs.gov, and provide your name, email address, telephone number and title and organization, if applicable.

ASRS News

ASRS Legislation

The 48th Session of the Arizona Legislature is underway with a number of bills introduced that deal with retirement issues. The ASRS has proposed several bills and provided information and analysis on others that are aimed primarily at improving services, producing savings that will help mitigate future increases in contribution rates and contribute to the overall stability of the ASRS trust.

You can view summaries of retirement-related legislation and track progress of bills through the Legislature by viewing the ASRS Bill Tracker, a document that is posted on our website and updated weekly.

The Bill Tracker contains summaries of 20 bills. We'll highlight in this report some of the bills that effect the ASRS and members. In this issue, we highlight House Bill 2147, which addresses ASRS investment management issues.

House Bill 2147 is sponsored by Rep. Marian McClure, chair of the House Public Institutions and Retirement Committee, and Rep. Rich Crandall. Provisions in this bill would provide greater flexibility in managing the Trust.

HB 2147 Summary:

- Removes the requirement that a fund manager must have \$250 million currently under advisement, but clarifies that experienced employees within a firm or a firm meet the 3-year experience requirement.
- Establishes that proprietary commercial information connected with ASRS's investments is confidential and not a public record if the information would not customarily be released to the public by the person or entity from whom the information was obtained.
- Increases the foreign investment cap from 20% to 35%.

To view additional provisions of this and other bills under consideration at the legislature, view the ASRS Bill Tracker, or visit the state legislature's website, www.azleg.gov

ASRS Annual Report

The Arizona State Retirement System is pleased to release its Certified Annual Financial Report for the fiscal year 2005-06. The 122-page report provides detailed information on finances, investments, actuarial calculations and general statistics of the agency.

The report meets the standards and requirements for reporting as set forth by the Government Finance Officers Association of the United States and Canada. ASRS annual reports have received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 17 years.

In keeping with the State of Arizona's emphasis on electronic business, and cost savings on printing, a limited number of the books were printed. To view the entire report, please visit the ASRS website at www.azasrs.gov

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Know Your Benefits

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, in which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

Getting Ready to Retire

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the Calendars section to see a full listing. Reservations are required and can be made by calling the Member Service Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

ASRS Board & Committee Meetings

ASRS Board of Trustees

Friday, February 16, 2007, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

External Affairs Committee

Friday, March 2, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Operations Committee

Thursday, March 22, 2007, 10:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Investment Committee

Wednesday, April 4, 2007, 5:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.